

Alta California Regional Center
Finance Committee Meeting
Monday, January 12, 2015
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson
Modean Gibson
Walter Kaweski
Brendan Peacock
Steven Sanchez (via phone)

Absent: (* excused)

Jon Nelson*
Austin Taylor*

Facilitator:

Larry Prosser

Visitors:

Darrell Christensen, Thompson Noble
Company LLP

Staff:

Phil Bonnet, Executive Director
Peter Tiedemann, Chief Operating
Officer
Iqbal Ahmad, Controller
Lisa West, Executive Secretary

The Finance Committee met at 3:00 p.m. on Monday, January 12, 2015, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Review Independent Audit Report; 2) Monthly Financial Report; and 3) Contract of \$250,000 and above. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of September 8, 2014 as submitted.

****change in agenda was noted***

1. *Review Independent Audit Report*

Issue: The committee needs to review ACRC's independent audit report for the 2013-14 FY.

Discussion and Action: Mr. Tiedemann distributed the "Independent Auditors' Report" for review. Mr. Christensen reviewed the audit report including the basic financial statements with those present. He noted that ACRC's management is responsible for the preparation and fair presentation of these financial statements, while the auditors are responsible to express an opinion on them. In their opinion, Thompson Noble Company, LLP believes the financial statements represent fairly, in all material respects, the financial position of ACRC as of June 30, 2014.

The auditors make additional notes to summarize significant accounting policies, such as contributions, equipment, and accrued vacation benefits. They also make notes on contracts, retirement plans, cash, lease commitments, line of credit, fair value measurements, and subsequent events.

Mr. Christensen believes ACRC's management has done a good job.

If anyone has any questions regarding this audit, please contact Mr. Tiedemann.

- **Information only.**

****Iqbal Ahmad and Darrell Christensen left the meeting***

2. Monthly Financial Report

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: Mr. Tiedemann distributed the November 30, 2014 financial report which reflects five month of expenditures for the current fiscal year (FY). ACRC has expended 42.2% of Purchase of Services (POS) and 42.7% of Operations (OPS).

Mr. Tiedemann is projecting that ACRC will need between \$21.7 and \$24.1 million in additional POS funding this FY. This amount includes approximately \$1.8 million for a rate increase for Supported Living and Respite vendors that may not occur due to legal challenges. He noted that the Department of Developmental Services (DDS) has changed their allocation methodology. Mr. Tiedemann explained that part of the deficit is due to the minimum wage increase; the department has funded us less than what it is costing us to implement. Also, there has been growth in several areas of service.

Statewide, our service system is in need of \$300 million in additional POS funding for the current FY. Mr. Tiedemann believes our POS deficit may decrease over time. ACRC is hosting the Association of Regional Center Agencies' (ARCA's) meetings later this week and we should learn more statewide information about the POS deficit at that time.

Without objection, Anwar Safvi made the motion to accept the monthly financial statement as submitted.

3. Contract of \$250,000 and above

- No contracts to approve.
- Mr. Tiedemann shared that DDS' auditors will be here again next week. They will be auditing ACRC for the 2012-13 and 2013-14 FYs.

****A joint presentation by staff regarding the State Budget Update before the Finance Committee and the Executive Committee will commence at 3:30 p.m.***

The next Finance Committee meeting is scheduled on **Monday, February 9, 2015**, at 3 p.m. The meeting adjourned at 3:31 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet